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July 19, 2013

Environmental Protection Agency  
Attn: Engr. Hector D. Ortiz  
Environmental Engineering  
Caribbean Environmental Protection Division  
US Environmental Protection Agency  
City View Plaza II- Suite 7000  
#48, PR 165, Km 1.2  
Guaynabo, P.R. 00968-8059

Re: Enforcement Order CEPD-CWA-02-IR-2013-007  
Valley View Park and Valley View Development  
Sanitary Waste Water, Trak Num. PRU002779

Gentlemen:

The undersigned attorney represents Bayamón Acquisition Properties (BAP) and their principal in the matter of reference. The genesis of the infrequent spills of sewage water is the result of incomplete construction of the infrastructure facilities. We have already tendered to EPA copy of the complaint, answer to the complaint, counter claim and Stipulated order for judicial administration of the project, premises and the facilities.

At present there exists a Court Order by which the project Owner, BAP and its management is not and may not be in possession nor may administer the project, the waste water, the treatment plant or tank or any portion thereof. The Order was stipulated in open court in January 2013, but differences in the drafting delayed entering the final agreement in open court until April 16, 2013, then drafting took an additional month and the final document was signed on May 21, 2013, while the Court Order was signed on June 27, 2013 and the Order notified early July 2013. Possession of the project is exclusively in the hands of Doral Bank and the judicial administrator appointed at the request of Doral Bank and its agent Black Point. See the attached Court Order dated June 27, 2013 and the stipulation it adopts, we quote.

Doral and BAP agree that the powers and responsibilities of the Administrator include what is herein enumerated:

--Administer the development and construction of the project which includes the exclusive possession, he can sell houses when construction of each house is completed.

\* \* \*

— Within the works of the project a treatment plant, electric works and others are found. **The administrator will provide some priority to the treatment plant.**

EPA has issued letters requesting information, to which BAP has promptly responded and provided ample information and over a three hundred copies, bound, indexed and well organized. We included data of the project and of the controversy that brought construction to a stand still. Understandably, EPA has initially concentrated on the project Owner who traditionally owns, possess, controls and administers the land and project where the waste water spill has occurred. Possession and power to control carries the responsibility for the wrongful action and illegal discharge. The case of reference does not present a usual traditional scenario where the owner is in possession and control. The person in control is Miguel Diaz who responds to Doral Bank and Black Point, which entities control ALL the funding to the project and thereby. What and when can things be done, at their sole discretion. Therefore, the responsible parties are precisely those Mr. Diaz, Doral Bank and Black Point. Mr. Fernando Fernandez is not a potentially responsible party, neither is BAP.

If EPA issues an order to BAP that commands an action contrary to the Court Order, and *injunction* for judicial administration though Mr. Diaz and Doral Bank, BAP would confront two contradictory Orders. The Order that first was entered is the judicial Order by stipulation on April 16, 2013. Respectfully, that Order takes precedence. BAP may not be required to do exactly what it is prohibited from doing, possessing and administering the real estate and the project.

BAP directed its efforts to avoid having an incomplete waste water treatment plant. Doral Bank, without prior notice, discontinued all disbursements under the loan agreement for the work performed in June 2012. BAP continued working the construction and concentrated its efforts in the waste water treatment plant, but Doral Bank brought all construction to a stand still. The drained resources forced limited trucking of the waste water, which is the reason for which possession was tendered to Doral Bank with the agreement that priority would be given to construction of the Treatment Plant. The designed and half constructed treatment plant is a zero discharge plant where the final water is disposed of through evaporation and irrigation in a leaching field. Therefore, the functioning plant is not to have any contact with navigable waters.

At present we have tendered to Engr. Miguel Diaz all plant, permits, soil data, contracts invoices, etc. that he may need to attain prompt performance of his obligations to the Court, to EPA, to the residents, to Doral and to BAP.

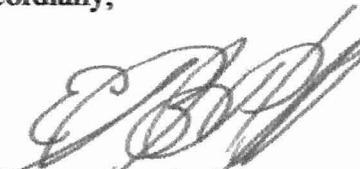
It is common knowledge that Doral Bank has confronted substantial serious cash constraints and insolvency. During the life of the loan agreement between BAP and Doral in several occasions Doral discontinued making disbursements under the loan, which severely impacted construction, costs and time.

WE kindly request from EPA to consider the crucial set of events and fact herein contained when examining who in reality has possession, control, administration and the resources devoted to

attain compliance with the EPA standards by having bound itself to construct the treatment plant with priority, which is Doral Bank, Black Point and Engr. Miguel Diaz..

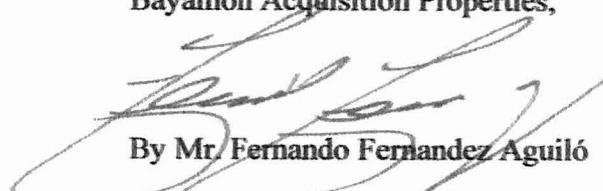
We remain available to cooperate with EPA on anything that we may be of assistance.

Cordially,



Edilberto Berrios Pérez

Bayamón Acquisition Properties,



By Mr. Fernando Fernandez Aguiló

Attachments.

Court Order and stipulation on hearing of April 16, 2013

ESTADO LIBRE ASOCIADO DE PUERTO RICO  
TRIBUNAL DE PRIMERA INSTANCIA  
CENTRO JUDICIAL DE CAGUAS

DORAL BANK  
Demandante

Vs.

BAYAMÓN                           ACQUISITION  
PROPERTIES, INC; FERNANDO  
FERNANDEZ AGUILLO; HUGGETTE  
QUINTANA ARROYO  
Demandados

CIVIL NUM.: E PE2012-0322

SALA 612

SOBRE:

ENTREDICHO PROVISIONAL

**RESOLUCIÓN**

El 16 de abril de 2013, las partes expresaron en la vista un acuerdo para designar síndico. Dicho acuerdo se sometió por estipulación y procedieron a recogerlo en un documento solicitado "orden designando síndico por estipulación", suscrito por todas las partes e iniciado en todos los folios.

El Tribunal aprueba la estipulación sometida por las partes, y emite orden de designación de síndico conforme lo estipulado por las partes, acogiendo los acuerdos sometidos y emitiéndole su aprobación.

**NOTIFIQUESE.**

Dada en Caguas, Puerto Rico, a 27 de junio de 2013.

  
LILJA ORTIZ PUIG  
Juez Superior

**ESTADO LIBRE ASOCIADO DE PUERTO RICO  
TRIBUNAL DE PRIMERA INSTANCIA  
SALA SUPERIOR DE CAGUAS**

DORAL BANK,

**Demandante,**

v.

BAYAMÓN ACQUISITION  
PROPERTIES, INC., FERNANDO  
FERNÁNDEZ AGUILÓ; HUGUETTE  
QUINTANA ARROYO,

**Demandados.**

**CIVIL NÚM.: E PE2012-0322 (612)**

**SOBRE:**

**ENTREDICHO PROVISIONAL;  
INJUNCTION PRELIMINAR y  
PERMANENTE**

**ORDEN DESIGNANDO SÍNDICO POR ESTIPULACIÓN**

Doral Bank, como acreedor Hipotecario (en adelante "Doral"), y Bayamón Acquisition Properties (en lo sucesivo "BAP"), como titular del bien inmueble en controversia, acuerdan el nombramiento del Ingeniero Miguel Díaz como "Receiver" o Administrador Judicial para administrar el Proyecto Valley View Village (en adelante el "Proyecto").

Doral y BAP acuerdan que los poderes y responsabilidades del Administrador Judicial comprenden lo que se detalla a continuación:

- Administrar el desarrollo y construcción del proyecto que incluye la posesión exclusiva; puede vender casas cuando se complete la construcción de cada una de ellas. La venta será individual y no a granel.
- BAP proveerá una Resolución Corporativa autorizando al síndico designado, Ing. Miguel Díaz, a comparecer en las escrituras de compraventa de las unidades residenciales del Proyecto. El precio será competitivo y se utilizará como guía la tasación de un tercero, debidamente cualificado.

- El Administrador pagará los trabajos realizados en el Proyecto sujeto al procedimiento existente para la aprobación de certificaciones.
- El Administrador completará los trabajos del Proyecto y las casas según diseñados.
- El Administrador está autorizado a comparecer ante las agencias gubernamentales pertinentes para gestionar la obtención de permisos y viabilizar su función como Administrador Judicial.
- Dentro de los trabajos del Proyecto se encuentran la planta de tratamiento, trabajos eléctricos y otros. El Administrador le brindará alguna prioridad a la planta de tratamiento.
- Mantendrá vigilancia razonable en el proyecto.
- BAP entregará al Administrador los planos, permisos y contratos relativos al Proyecto, así como cualquier otro documento necesario para completar el Proyecto, y cederá al Administrador Judicial los derechos que tenga con respecto a dichos documentos.
- El Sr. Fernando Fernández, presidente de BAP, y el Administrador Judicial cooperarán razonablemente de forma mutua y recíproca.
- Tan pronto sea factible, el Sr. Fernando Fernández y los asesores y contratistas del Proyecto se reunirán con el Administrador Judicial para capacitarlo, entregando contratos, planos y datos del proyecto, útiles y necesarios para poder realizar su función.

- El Administrador rendirá un informe de progreso, que deberá ser entregado a finales de cada mes, mientras estén en vigencia sus funciones.
- Los desembolsos y cobros para la gestión del caso se hará con cargo al financiamiento, sujeto al resultado final del caso.

#### **RESTRICCIONES O EXCLUSIONES EN LAS FUNCIONES DEL ADMINISTRADOR:**

- No puede tomar dinero o préstamo a nombre de BAP.
- No puede vender el proyecto como una sola cosa.
- No puede vender tierras.
- No puede comparecer a nombre de BAP en litigios ni transigir derecho alguno de BAP.

Doral y BAP acuerdan que lo antes expuesto no significa, ni debe ser interpretado como, un relevo de las partes ante las acciones presentadas en el caso Civil Núm. E PE2012-0322. El acuerdo alcanzado por las partes tendrá vigencia de cinco (5) años, sujeto a extenderse conforme a cómo el mercado fluctúe y progrese la venta de unidades del Proyecto.

-Firmas en la Siguiente Página-

  
Leonardo Fernández  
President  
  
Bayamon Agustin Reyes

<p><b>PARTE DEMANDANTE</b> <b>DORAL BANK</b> <b>FIDDLER GONZÁLEZ &amp; RODRÍGUEZ, PSC</b> PO Box 363507 San Juan, P.R. 00936-3507 Tel. 787-759-3220 / 759-3134 Fax. 787-250-7545 / 787-759-3109</p> <p><i>Roberto A. Cámara Fuertes</i></p> <p><b>ROBERTO A. CÁMARA FUERTES</b> R.U.A. Núm. 13,556 rcamara@fgrlaw.com</p> <p><i>JOSELINÉ RODRIGUEZ ORTIZ</i></p> <p><b>JOSELINÉ RODRIGUEZ ORTIZ</b> R.U.A. Núm. 18,089 jrodriguez@fgrlaw.com</p>	<p><b>PARTE DEMANDADA</b> <b>BAYAMÓN ACQUISITION PROPERTIES, INC.</b> Capital Center Building 239 Ave. Arterial Hostos Ste. 900 San Juan, P.R. 00936-3507</p> <p><i>Edilberto Berrios Pérez</i></p> <p><b>EDILBERTO BERRIOS PÉREZ</b> R.U.A. Núm.:</p>
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El Acuerdo que antecede es aprobado y ratificado por este Tribunal, hoy 27 de  
junio de 2013.

*Lilia M. Ortiz Puig*

Hon. Lilia M. Ortiz Puig  
Juez Superior